

AMENDED IN ASSEMBLY MARCH 25, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 477

Introduced by Assembly Member Longville
(Coauthor: Assembly Member Strom-Martin)

February 18, 1999

An act to amend Section 7351 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 477, as amended, Longville. Motor vehicle fuel taxes.

Existing law imposes a license tax upon distributors for the privilege of distributing motor vehicle fuel, at the rate of 18 cents per gallon for each gallon of fuel distributed.

This bill would revise that tax, on and after January 1, 2000, to be ~~15% of the retail price per gallon of gasoline, including federal taxes, but prior to inclusion of state and local sales taxes~~ *a percentage of the wholesale price of gasoline per gallon that is equal to revenues produced on the date of enactment of the bill.*

The bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7351 of the Revenue and
2 Taxation Code is amended to read:

1 7351. (a) For the privilege of distributing motor
2 vehicle fuel, a license tax is hereby imposed upon
3 distributors for each gallon of fuel distributed at the
4 following rate per gallon:

5 (1) Fourteen cents (\$0.14) during 1990, on and after
6 August 1.

7 (2) Fifteen cents (\$0.15) during 1991.

8 (3) Sixteen cents (\$0.16) during 1992.

9 (4) Seventeen cents (\$0.17) during 1993.

10 (5) Eighteen cents (\$0.18) on and after January 1,
11 1994.

12 ~~(6) Fifteen percent of the retail price per gallon of~~
13 ~~gasoline, including federal taxes but prior to inclusion of~~
14 ~~state and local sales taxes, on and after January 1, 2000.~~

15 *(6) The percentage of the wholesale price per gallon*
16 *calculated pursuant to subdivision (c), on and after*
17 *January 1, 2000.*

18 (b) If the federal fuel tax is reduced below the rate of
19 nine cents (\$0.09) per gallon and federal financial
20 allocations to this state for highway and exclusive public
21 mass transit guideway purposes are reduced or
22 eliminated correspondingly, the tax rate imposed by this
23 section, on and after the date of the reduction, shall be
24 increased by an amount so that the combined state and
25 federal tax rate per gallon equals the following:

26 (1) Twenty-three cents (\$0.23) during 1990, on and
27 after August 1.

28 (2) Twenty-four cents (\$0.24) during 1991.

29 (3) Twenty-five cents (\$0.25) during 1992.

30 (4) Twenty-six cents (\$0.26) during 1993.

31 (5) Twenty-seven cents (\$0.27) on and after January
32 1, 1994.

33 (6) Nine cents (\$0.09) included within the retail price
34 ~~per gallon of gasoline plus 15 percent of that retail price~~
35 ~~prior to inclusion of state and local sales taxes, on and after~~
36 ~~per gallon of gasoline plus that percentage of the~~
37 ~~wholesale price per gallon calculated pursuant to~~
38 ~~subdivision (c), on and after January 1, 2000.~~

39 *(c) The State Board of Equalization shall calculate a*
40 *tax percentage based on the wholesale price of gasoline*

1 *on the effective date of the amendments to this section*
2 *adding this sentence. The percentage shall result in*
3 *revenues that are equal to the revenues collected*
4 *pursuant to paragraph (5) of subdivision (a) as of that*
5 *effective date. The percentage calculated pursuant to this*
6 *subdivision shall determine the amount of the tax*
7 *imposed per gallon on distributors pursuant to*
8 *subdivisions (a) and (b).*

9 (d) If any person or entity is exempt or partially
10 exempt from the federal fuel tax at the time of a
11 reduction, the person or entity shall continue to be so
12 exempt under this section.

13 SEC. 2. This act provides for a tax levy within the
14 meaning of Article IV of the Constitution and shall go into
15 immediate effect.

